SHARING ECONOMY AS DISRUPTIVE INNOVATION: CONSUMER VIEWPOINT

The motivations for participation in sharing economy

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Abstract

The increase in technology-based social platforms has led to new ways of consumption. Therefore, the importance of the traditional way of owning is giving way to the concept of sharing economy (SE), where consumption occurs through peer-to-peer networks. This sharing consumption fundamentally changes the way we act which is why it can be considered as a disruptive innovation (DI).

However, despite its popularity, there has been a lack of studies focusing on the motivations for sharing economy participation. Given this, for this literature review I developed two frameworks that tackle this issue based on existing literature. The first lists four main motivations for SE participation whereas the second ranks them on a SE motivation line considering their power to affect consumers' behaviour. The findings of these two frameworks truly highlight the motivations and their significance and act as a base for future research.

Keywords disruptive innovation, sharing economy, motivations for consumption, peer-to-peer

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1. INTRODUCTION

During the last decade, the importance of networks has been rising, giving room for new ways of consumption (Bardhi & Eckhardt, 2012; Heinrichs, 2013). A growing number of consumers are shifting their attitudes towards an usage mindset: they want to gain the benefits of a product without the costs of traditional owning (Botsman; Rogers, 2010). The emergence of information and communications technologies (ICTs) has led to an increase in the concept of so-called 'sharing economy' (SE) or 'collaborative consumption' (CC): 'the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services' (Hamari, Sjöklint, & Ukkonen, 2016).

On numerous industries and firms, sharing products and services with strangers seems to be a new mass trend (Ranchordás, 2015). The concept of a 'sharing economy' or 'collaborative consumption' aims at benefitting of market intelligence to accomplish a better society with more communication and sustainability (Heinrichs, 2013). Sharing platforms, for instance Uber, are now experiencing vast and explosive growth, which has ultimately caused many legislation and political battles (Schor, 2014).

Despite sharing economy's boosting popularity and success, there is a lack of studies focusing on motivational factors behind consumers' willingness to participate in sharing economy (Hamari et al., 2016). Especially the possible difference between factors affecting behaviour and factors affecting attitudes pose an interesting field for new research (Kollmuss & Agyeman, 2002). Since I have participated various times in different sharing economy platforms, such as Airbnb, I considered sharing economy as a useful and interesting topic for this literature review.

This paper examines sharing economy as a disruptive innovation that is currently changing the market. The main purpose of this literature review is to shed light to how theories of disruptive innovation (DI) and sharing economy (SE) might explain the increasing popularity of sharing economy.

Therefore, the main research question of this paper is:

“How theories of SE and DI can help us to understand consumers’ willingness to promote SE?”

To fully understand this question, two secondary research questions are needed:

“What are disruptive innovations and how do they change existing markets?”

“What is sharing economy and how does it change consumers’ behaviour?”

This literature review is structured as follows: in the first part of the paper, disruptive innovations (DI) and their characteristics and effects are discussed. Then, the paper focuses on defining sharing economy (SE) and the advantages and problems that are caused by SE. This brings the focus on the third part that examines how theories of DI and SE explain participation in collaborative consumption. In the last part, the main ideas are concluded and limitations and possibilities for future research will be discussed.

2. DEFINING DISRUPTIVE INNOVATION

2.1. What is a disruptive innovation?

Few terms in innovation management have gained such wide discussion as the phrase *disruptive innovation*, which was coined by Clayton Christensen in his revolutionary innovation studies (Schmidt & Druehl, 2008). By disruptive innovations Christensen means an innovation so different from the existing models that it results in the creation and emergence of wholly new markets and business models (Bower & Christensen, 1995; Charitou & Markides, 2003; Christensen, Johnson, & Rigby, 2002; Christensen & Overdorf, 2000; Schmidt & Druehl, 2008; Yu & Hang, 2010). Disruptive innovations usually consist of different performance attributes than existing products and are thus not valued by existing customers (Bower & Christensen, 1995; Schmidt & Druehl, 2008). In addition, according to the DI theory, the performance attributes valued by existing customers enhance over time and can later invade markets: only at this point will mainstream customers want the technology (Bower & Christensen, 1995; Danneels, 2006; Schmidt & Druehl, 2008). This will result in the pioneers of the new technology to dominate the market (Bower & Christensen, 1995).

There is an underlying reason for why market dominants fail in serving for future customers, even if they invest aggressively in technology (Bower & Christensen, 1995): they listen to their current customers and thus ignore future prospects and possibilities (Bower & Christensen, 1995; Christensen, Bohmer, & Kenagy, 2000). Therefore, existing firms are in a wrong place to search for growth (Hart & Christensen, 2002). Aiming at pleasing customers in very established markets, where expectations for performance are high, can be sometimes very dangerous (Assink, 2006; Bower & Christensen, 1995) since disruptive innovations have the ability to turn existing firms' advantages, such as leadership and culture, to disadvantages (Paap & Katz, 2004). For these reasons, numerous firms have failed their businesses when ignoring new disruptive technologies (Bower & Christensen, 1995).

Before satisfying the high expectations of the mainstream market, disruptive innovations satisfy only a niche market segment, which values the attributes and dimensions the new technology does exceed at (Danneels, 2004). Typically, existing mainstream customers are often unwilling to adapt to new technologies in applications they already know and understand (Bower & Christensen, 1995). According to the theory, since disruptive innovations are serving a small niche market with low margins, they are often ignored by existing firms who are serving more attractive segments (Danneels, 2004). However, over time as research and development (R&D) investments are made, the disruptive technology enhances and reaches a level that satisfied the requirements of the mainstream market (Danneels, 2004; Markides, 2006). Therefore, 'disruptive technologies are often associated with the replacement of incumbents by entrants' (Danneels, 2004).

Despite the fact that incumbents usually fail with disruptive innovations, they do almost always win with *sustaining innovations* (Christensen et al., 2002). Sustaining innovations are developments made to enhance existing technologies: they improve the attributes and technologies consumers already value (Bower & Christensen, 1995; Christensen et al., 2002; Danneels, 2004). These lead to incumbent firms earning higher margins by selling better products to their most important customers (Danneels, 2004). This is similar to the findings that established companies often invest in more incremental (small improvements) innovation, while new market entrants have higher likelihood of dominating disruptive innovation (Henderson, 1993). However, any firm willing to create new growth should search for disruptive technologies (Christensen et al., 2002).

Typically, disruptive innovations attract consumers in the low end of the market (Christensen et al., 2000; Schmidt & Druehl, 2008). These innovations are usually simple, more convenient and less costly 'good-enough' alternatives to existing behavioural models (Christensen 1997, Christensen, Baumann, Ruggles, & Sadtler, 2006). Nevertheless, these innovations are often overlooked by incumbent companies (Schmidt & Druehl, 2008). Over time, however, simpler offerings enhance so that they meet also the needs of the vast majority of users (Christensen et al., 2000; Schmidt & Druehl, 2008). This pattern from the low end upward toward the high end is often described as *low-end encroachment* (Schmidt & Druehl, 2008). Disruptive innovations ‘change the game’: they attack existing businesses, establishing new ways of doing things and making profit (Assink, 2006). Despite its popularity, this disruptive innovation theory has raised critique as well, which will be discussed next.

Picture 1: A room fully furnished with IKEA products. Ikea can be considered as a disruptive innovation. It was worse in some attributes (lack of service, customers having to assemble everything themselves) but offered a convenient, simple and less costly alternative to other furniture shops. It started in the low end of the market but is now popular among many others. IKEA changed the way consumers buy furniture and thus had a significant importance to the market.

2.2. Critique to the theory

Christensen’s theory of disruptive technology has gained a vast amount of praising among managers (Tellis, 2006). However, the theory also has its limitations, some of which are quite major mistakes (Markides, 2006; Tellis, 2006). The validity of the theory has been questioned by many and even supporters of Christensen have proposed their slightly different views (Yu & Hang, 2010). Some critics accuse Christensen for cherry picking: ‘highlighting only those technologies that later turned out to be disruptive’ (Danneels, 2004).

The basic DI theory has left numerous crucial questions unanswered (Danneels, 2004). For these reasons, despite its popularity, many managers have hard time determining what a disruptive innovation actually is (Schmidt & Druehl, 2008). Christensen's theory has been criticised since the concept of disruptive innovation has remained vague (Yu & Hang, 2010): the theory lacks an explanation for what exactly makes a technology disruptive (Danneels, 2004; Yu & Hang, 2010), which is why the term is often used loosely by managers (Christensen, Raynor, & McDonald, 2015). Given this, two questions remain unanswered: at what time does an innovation become disruptive and whether an innovation is originally disruptive or if 'disruptiveness' is a function by perspective (Danneels, 2004). In addition, the theory lacks full validation in some cases: although historically incumbent firms have been more active with sustaining innovations and new firms with disruptive innovations, these do no always occur according to the theory (Schmidt & Druehl, 2008). That is why the concept of disruptive innovation needs a clarification, which could then act as a base for further research (Yu & Hang, 2010).

In addition, same theory cannot be applied to everywhere (Markides, 2006; Yu & Hang, 2010). Disruptive technologies are highly different: a disruptive technological innovation differs fundamentally from disruptive business model innovation, having different competitive edges and requiring different kind of reactions (Markides, 2006). According to Markides (2006), disruptive innovations need to be divided into smaller entities of study to make actual progress.

Furthermore, it is crucial to note that disruptive innovations do not always kill the traditional way of doing things (Danneels, 2004; Markides, 2006; Schmidt & Druehl, 2008). In various markets, disruptive innovations and their new ways of doing things grow to a significant size but never fully replace the old ways gaining a 100 % market share (Charitou & Markides, 2003; Markides, 2006). For example, in the pharmaceutical industry, the emergence of biotechnology did not replace traditional actors or the old ways of doing things (Danneels, 2004).

Therefore, critique towards the original DI theory hast been vast, which can be seen in Table 1, listing ten pieces of literature and their agreement on the theory. It is important to note that much of this literature supports the theory of disruptive innovations but does not agree on it fully. This explains why even Christensen et al. (2015) later questioned the validity of the theory.

AGREEMENT ON THE THEORY OF DISRUPTIVE INNOVATION

Author(s)	Year	Full agreement on DI theory	Only partial agreement on DI theory
Assink	2006	x	
Bower & Christensen	1995	x	
Christensen et al.	2015		x
Christensen & Overdorf	2000	x	
Danneels	2004		x
Markides	2006		x
Schmidt & Druehl	2008		x
Tellis	2006		x
Walsh	2004		x
Yu & Hang	2010		x

Table 1: The agreement on the DI theory in existing literature

Despite all critiques and doubts, the ideas coined by Christensen are very powerful, for it is rare that a single stream of work generates such active debates (Danneels, 2006). Therefore, in this literature review the traditional theory by Christensen will be used. This will help with understanding the main research question.

2.3. Business model innovations as disruptive innovation

One very crucial part of disruptive innovations consists of business model innovations (Christensen et al., 2000, 2002). Business model innovation is an innovation of a fundamentally different business model in an already existing business area (Charitou & Markides, 2003; Markides, 2006). However, this term has raised some confusion and scholars do not agree on what a business model is: this lack of definitional clarity leads to disagreements, hindering cumulative quality research progress concerning business models (Zott, Amit, & Massa, 2011).

Business model innovations result in new institutions appropriate for new technology and markets (Christensen et al., 2000). Nevertheless, one should remember that business model innovations do not mean new products or services: they are just improvements on how the value is delivered to the customer (Markides, 2006). Business model innovations commercialise innovative ideas and technologies while also complementing traditional products and services through new innovation (Zott et al., 2011). However, unlike some theories suggest, Markides (2006) states that it is not necessarily optimal for an existing firm to abandon its old business models for new ones since it is very easy for a company to lose its focus.

Innovations concerning business models have reshaped and disrupted entire industries and redistributed billions of dollars of value (Christensen et al., 2002). Business models often explain a great deal of a firm's performance (Markides, 2006) for they act as the way innovations are brought to life (Zott et al., 2011). This is relevant concerning our research question, for it focuses on a certain business model itself: sharing economy.

2.4. Getting successful with disruptive innovation

2.4.1. Launching disruptive innovation

Few firms manage to create value through their disruptive innovations (Assink, 2006; Christensen et al., 2002). According to Assink (2006), the process of disruptive innovation includes 'searching and selecting, exploring and experimenting, learning and unlearning, and cycles of divergent and convergent thinking'. One crucial aspect while doing this is good leadership, which is why managers need to be aware of the internal and cultural aspects of the firm (Christensen & Overdorf, 2000; Tellis, 2006). Good, innovation-focused leadership embraces positive change and it is willing to cannibalise existing products and processes to serve customers with new technologies when it is needed (Tellis, 2006).

To gain success, disruptive products need to be technologically simple and targeted at customers who will be content with less complex products (Christensen et al., 2002). Therefore, managers should seek situations where consumers are willing to trade quality for convenience (Schmidt & Druehl, 2008). In addition, managers must remain realistic about the firm's capabilities and not wait too impatiently for great profits (Christensen & Overdorf, 2000). The requirement to get very big very fast can be lethal to new innovations and ventures (Christensen et al., 2002).

According to the DI theory, the only way to protect disruptive innovation in the firm is to create organisations being totally independent from the mainstream business (Bower & Christensen, 1995). However, isolating the disruptive innovation process might not always be reasonable: while isolation may protect innovation from the effects of the mainstream, it also damages important sources of learning and developing (McDermott & O'Connor, 2002).

2.4.2. Hinders for disruptive innovation

It is important to note that disruptive innovations always pose a high risk of failure (Walsh, 2004). That is a reason why it is easier to simply ignore them: managers keep doing what has been working in the past and they just listen to their already existing customers (Bower & Christensen, 1995; Christensen et al., 2000). According to Assink (2006), the main hinders for development of disruptive innovations are 'the inability to unlearn obsolete mental models, a successful dominant design or business concept, a risk-averse corporate climate, innovation process mismanagement, lack of adequate follow-through competencies and the inability to develop mandatory internal or external infrastructure'. In addition, market entrants often have less to lose, and for them a disruptive innovation might be their only opportunity for gaining success in the market, whereas incumbents with established processes have a choice between risk and safety (Danneels, 2004).

2.4.3. Reacting to disruptive innovation

Two thirds of companies in a survey conducted by Charitou and Markides (2003) responded that they had ‘responded to a disruptive innovation in their industry by adopting it in some form’ (Charitou & Markides, 2003). Despite this, numerous firms fail when trying to respond to disruptive innovations (Christensen et al., 2002). In the famous example of hard disk drive industry, each time a disruptive technology was introduced, even two thirds of the existing firms failed to launch products with this new technology, despite their often occurring sustaining innovation launches (Bower & Christensen, 1995). A typical mistake was made: assuming that ‘because a disruptive innovation creates a new market in their industry, it must be an easy market to enter and a quick way to achieve growth’ (Charitou & Markides, 2003). In addition, unlike assumed by many, global market actors can successfully seize opportunities, even if disruptive innovation theory is often associated with newcomers (Hart & Christensen, 2002).

There still remains a vast gap between willingness and actual disruptive innovation capability (Assink, 2006). To survive in any industry, managers need to be capable of spotting relevant disruptive innovations (Bower & Christensen, 1995). According to Charitou & Markides (2003), the way a firm reacts to a disruptive innovation depends on its motivation and ability to respond: when motivation is low, the company should focus on its core business, and when it is high, the response is determined by its ability and circumstances (see Figure 1). However, managers should not hop into every disruptive innovation bandwagon, for they also need to know when it is beneficial to hold on to their existing offerings (Christensen et al., 2015).

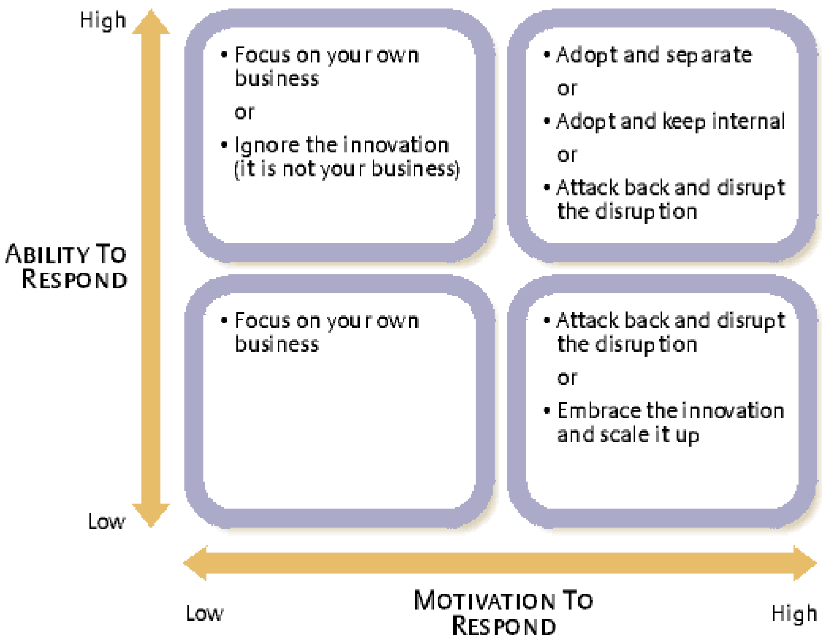

Figure 1: How to respond to a disruptive strategic innovation. The response is determined by motivation and ability to respond. (Charitou & Markides, 2003)

2.5. The importance of disruptive innovation

In many markets, established firms have dominated the market in developing new technology that their customers demanded, however, failing when new disruptive innovations emerged (Bower & Christensen, 1995). Thus, as said earlier, disruptive innovations tend to fundamentally change the market (Assink, 2006; Bower & Christensen, 1995; Christensen et al., 2006; Christensen & Overdorf, 2000; Yu & Hang, 2010). Disruptive innovations disrupt the existing preference structure of customers by introducing new benefits and use dimensions (Zhou, Yim, & Tse, 2005), which can also lead to important social benefits (Christensen et al., 2006). These kinds of breakthrough innovations thus have the potential to create totally new markets, reconstruct consumers' preferences and change their behaviour: occasionally those changes are so profound that in a while people cannot even imagine living any other way (Hamel & Prahalad, 1994).

Disruptive innovations are highly important, for they lead to the most value: in almost any industry and market, the most dramatic success and growth were originated from disruptive innovation

(Christensen 1997). These innovations enable new ways of competition and provides companies with stark growth in their businesses (Assink, 2006; Christensen et al., 2000, 2002). It is crucial to note how important disruptive innovations in fact are: according to Christensen et al. (2002), 'those business units growing today will eventually become mature, and thus vulnerable, which is why the only way to maintain growth is to launch new growth businesses'. Keeping this importance in mind, we will next discuss one kind of disruptive innovation: sharing economy.

3. DEFINING SHARING ECONOMY

3.1. What is sharing economy?

Lately, attitudes towards consumption have changed vastly and brought increasing concerns over the negative impacts of consumption (Bardhi & Eckhardt, 2012; Hamari et al., 2016; Heinrichs, 2013). This has been a motivation to create wholly new types of consumption, leading to the concept of sharing economy (SE): the peer-to-peer-based activity of obtaining, giving, or sharing an access to products and services, where the interaction occurs through social online platforms (Belk, 2014; Botsman & Rogers, 2010; Hamari et al., 2016; Möhlmann, 2015). Because sharing economy, also known as collaborative consumption, functions through various online platforms (Hamari et al., 2016; Möhlmann, 2015; Perren & Kozinets, 2018; Schor, 2014), the phenomenon of the sharing economy can be said to emerge from various technological developments that allow consumers to interact and trade goods with other users (Hamari et al., 2016).

For people it has always been natural to share and it is often considered as an act of kindness: for example a smoker might provide fellow smokers with fire (Belk, 2014). Sharing can thus be considered as a social way of acting, linking us to other people in a very powerful manner and creating strong emotional bonds (Belk, 2010). Sharing economy brings this idea to business. The concept of sharing economy promotes making use of market intelligence to make the society more sustainable and social (Heinrichs, 2013). In addition, by lowering the costs of coordination within communities, sharing economy can tackle many societal problems, such as pollution and poverty (Hamari et al., 2016). What is more, sharing economy often results in enhanced consumer welfare via 'offering new innovations, more choices, more service differentiation, better prices, and higher-quality services' (Koopman, Mitchell, & Thierer, 2015). Sharing economy provides people with the benefits of ownership with less cost and lower environmental impact, which is why it is now gaining foothold as an alternative to traditional owning (Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010).

Many firms have been eagerly positioning themselves under the wide concept and phrase of sharing economy because of the positive reputation of sharing, the popularity of digital platforms, and the constantly growing value from sharing businesses (Schor, 2014). Nevertheless, sharing economy is not simply defined since no universal definition for it exists (Belk, 2014; Schor, 2014). Considering this, Schor (2014) suggests dividing SE to four broad categories: recirculation of goods (for example eBay), increased utilization of durable assets (Zipcar), exchange of services (Uber), and sharing of productive assets (Skillshare.com). Furthermore, the concept of sharing economy can be considered to include two main categories depending on the type of exchange: access over ownership and transfer of ownership (Hamari et al., 2016). The difference between P2P (peer-to-peer) and B2P (business-to-peer) sharing businesses is also important (Schor, 2014).

In sharing economy, people with similar needs or interests interact and aim at sharing less-tangible assets such as space, skills and time (Botsman & Rogers, 2010). These actions are often neighbourhood-based, creating trust and making it easier to handle big and bulky items (Botsman & Rogers, 2010; Schor, 2014). However, sharing economy occurs on a global scale as well (Botsman & Rogers, 2010).

The concept of sharing economy originates from the tech-oriented culture of Silicon Valley (Hamari et al., 2016). From there sharing gained global success, both because of the global increase in sharing platforms and because the concept of sharing has become popular in many countries an cities: in Europe, for instance, cities are becoming sharing centres (Schor, 2014). Given this, new SE platforms are attracting a great deal of attention (Schor, 2014) and often experiencing explosive growth (Koopman et al., 2015; Perren & Kozinets, 2018; Schor, 2014). Therefore, it is crucial to note that sharing economy is not a niche trend anymore: it affects vast amount of people and markets every day (Botsman & Rogers, 2010; Möhlmann, 2015).

Picture 2: Skillshare.com is a sharing economy platform. It is an online learning community for 'creators' with valuable skills. Anyone can join the platform and teach or learn classes concerning for example design and technology. This peer-to-peer concept is a good example of sharing of productive assets, where people share knowledge within their community.

3.2. Characteristics of sharing economy

In this chapter the main characteristics of sharing economy platforms will be discussed. One of them is the fact that they function through various information systems, which creates the foundation for sharing economies (Hamari et al., 2016; Piscicelli, Cooper, & Fisher, 2015). However, it is important to note that sharing economy is still in its infancy so often the use of its potential is very limited (Piscicelli et al., 2015).

According to many, sharing economy is a community-based activity of sharing access to products and services, coordinated through online platforms (Botsman & Rogers, 2010; Hamari et al., 2016; Heinrichs, 2013; Möhlmann, 2015; Piscicelli et al., 2015). Sharing economies are always based on a website, a mobile app, or a combination of them, being constantly used and coordinated by its users (Hamari et al., 2016). However, due to vast differences in platforms, coming up with a single definition that applies to all sharing economy platforms is nearly impossible (Schor, 2014). Given this, there remains a wide variety of platforms and a difficulty in defining this phenomenon (Hamari et al., 2016; Schor, 2014), which is why research concerning SE has been fragmented (Cheng, 2016). Thus, despite the vast amount of literature concerning it, we still lack an understanding of what the sharing economy actually looks like (Bardhi & Eckhardt, 2012; Benoit, Baker, Bolton, Gruber, & Kandampully, 2017).

The definitions of sharing economy differ typically on whether they include monetary exchange as a part of it (Hamari et al., 2016). In addition, some concepts of SE encase sharing and gift giving, which take place outside traditional markets, whereas other concepts do not regard them as a part of SE (Perren & Kozinets, 2018). Some suggest a very broad aspect to SE: for example, speaking in a telephone and having beer with friends can be considered as sharing economy (Felson & Spaeth, 1978).

According to Belk, sharing economy is 'people coordinating the acquisition and distribution of a resource for a fee or other compensation' (Belk, 2014). Therefore, sharing economy excludes activities with no compensation, along with gift giving that results in a permanent transfer of the ownership (Belk, 2014; Möhlmann, 2015). However, this viewpoint can leave out some popular platforms usually associated with sharing economy, for instance Couchsurfing, a community where people can host and stay at others for free (Belk, 2014). In addition, unlike Belk, many others exclude the transfer of ownership in their definition of SE (Perren & Kozinets, 2018). Therefore, defining sharing economy is difficult, which is why in currently the self-definition by the platforms determines who is in and who is out (Schor, 2014).

In sharing economy, participant roles are blurred: anyone can be on either side of transaction (Schor, 2014; Zervas, Proserpio, & Byers, 2017). However, these sides can also change rapidly: some studies suggest that many people who are providers on a sharing economy platform also act in it as consumers, so the distinction between providers and users is often more applicable concerning single transactions rather than persons (Schor, 2014). It is also important to note that sharing economy is not just consumption for it is also an activity that ties the contribution and consumption together in community networks (Hamari et al., 2016; Perren & Kozinets, 2018).

The platforms themselves do not usually have a need to play an active role in transactions, for SE platforms are so community-based: the actions rely heavily on social dynamics in sharing (Hamari et al., 2016). Therefore, SE platforms could be considered to act merely as economical-technological coordination providers (Hamari et al., 2016; Möhlmann, 2015; Piscicelli et al., 2015). Being in the heart of a community, sharing platforms are often a key to information creation and consumption (Hamari et al., 2016).

Technological attributes of SE platforms create in their functions (which are dependent on the type of the platform, see Figure 2) new ways of social connection and social operant resources (Perren & Kozinets, 2018). Therefore, sharing economy differs vastly from the traditional community structure since sharing platforms promote sharing between people who do not know each other or belong to the same social groups (Belk, 2014; Schor, 2014). We will discuss the benefits of this social aspect in the following section.

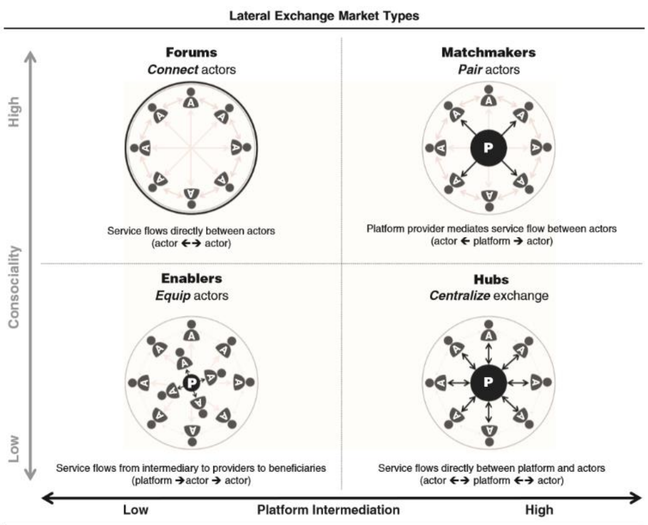

Figure 2: Perren & Kozinets (2018) divide sharing economy platforms into four categories. *Forums* (eg. Craigslist) *connect* actors so that information flows from actor to actor. *Matchmakers* (eg. Uber) *pair* actors and mediates information flow from actor to another. *Enables* (eg. Skillshare) *equip* actors by helping actors

to provide others with information. *Hubs* (Quirky) *centralise* actors to let information flow between platform and actors. Research focused on these separately would surely give more insight to SE, for the sharing economy is still in its infancy.

3.3. Benefits of sharing economy

Sharing economy offers its users numerous benefits, the most important of which will be summarized here. For instance, sharing economy has been said to target social problems such as poverty by making it less costly to interact within a community (Hamari et al., 2016). Above all, SE can enhance many factors concerning sustainability and community while also offering significant economic benefits (I. P. Tussyadiah, 2015). In addition to these, sharing economy platforms provide its users with reputation possibilities and enjoyment (Hamari et al., 2016).

Social values

Sharing economy platforms are very social and can thus be used as social tools (Schor, 2014). In sharing economy, community belonging forms a crucial part of this social aspect (Möhlmann, 2015). Social networking and collaboration with others fuel SE and its peer-to-peer communication while sharing simultaneously allows participants to tie and maintain social connections with other users (Hamari et al., 2016; Möhlmann, 2015; Perren & Kozinets, 2018; Piscicelli et al., 2015; I. P. Tussyadiah, 2015). This can also lead to users meeting face-to-face as well (I. P. Tussyadiah, 2015). In addition, sharing economy can broaden one's social circle since it encourages to interaction between strangers (Frenken & Schor, 2017). The sociality and community belonging is clearly an important factor for many users of SE: many participants often communicate a willingness to meet new people (Schor, 2014).

In addition, sharing economy platforms rely highly on reputational forces (Hamari et al., 2016). For example, guests and hosts rate each other on Airbnb, which makes it a great incentive for both users and hosts to create a good self-image within the community (I. P. Tussyadiah, 2015).

Therefore, it is thus suggested that along with social interaction, reputation is a great user benefit in sharing economy (Botsman & Rogers, 2010; I. P. Tussyadiah, 2015).

Environmental values

Sharing economy can be used to reach environmental goals for it is based on a sustainable way of consumption (Heinrichs, 2013). Since excess resource use will lead to environmental harms, SE as a redistribution approach of resources offers a framework creating sustainability by efficiently taking the whole benefit from the capacity of resources (Schor, 2014; I. P. Tussyadiah, 2015; I. P. Tussyadiah & Pesonen, 2018). SE thus leads to a more effective way to use a product (Möhlmann, 2015).

For instance, despite the fact that half of all U.S. households have their own power drills, most of them are in use for only 6 to 13 minutes during the whole lifetime of the drill: however, SE can bring solutions to this problem by providing more people with an access to the same drill (Botsman & Rogers, 2010). Therefore, 'using rather than owning' strategies have the potential to conserve resources by using them more efficiently (Leismann, Schmitt, Rohn, & Baedeker, 2013). For consumers wishing for greener consumption, participation in SE can be considered as an expression to promote sustainable behaviour (Hamari et al., 2016; I. P. Tussyadiah, 2015).

Economic values

Since sharing is less costly than owning, sharing economy can provide its users with economic benefits (Botsman & Rogers, 2010; Hamari et al., 2016; Möhlmann, 2015; I. P. Tussyadiah, 2015). Many consumers are motivated to participate in SE because of these benefits, which means getting the same value with less cost (Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010; I. P. Tussyadiah, 2015). This is why sharing economy and sharing in general is often regarded not just environmentally beneficial, but also economically wise (Hamari et al., 2016).

Considering the various benefits of sharing economy, sharing is very beneficial for the consumer, the environment and the community (Belk, 2014). However, sharing economy also has its flaws. We will discuss these next.

3.4. Challenges of sharing economy

Considering the numerous benefits of sharing economy, in many situations people would clearly be better off when collaborating with each other. However, many still oppose the participation if some institutional arrangements in sharing are not fulfilled (Möhlmann, 2015). Sharing platforms are not easily divided into existing categories of operation since they create new legal categories and institutional practices (Perren & Kozinets, 2018). Given this, the settings in sharing economy can often differ vastly from the existing behaviour pattern, which is why they can cause trouble and opposition: for instance, Uber drivers do not need to have the same skills as traditional taxi drivers since they do not take licensing exams, or always carry any commercial insurance (Malhotra & Van Alstyne, 2014).

Many benefits of sharing economy considering its social way of acting can often be exaggerated (Schor, 2014). The research results of the social action success in SE has been mixed: while there are various success stories, many platforms fail in delivering durable social ties (Schor, 2014). In addition, SE platforms can also strengthen biases concerning class, gender or race (Malhotra & Van Alstyne, 2014; Schor, 2014), which can result in misleading, shilling unearned praising, and damning competitors (Malhotra & Van Alstyne, 2014). By spreading false complaints, customers can have the power to punish providers (Malhotra & Van Alstyne, 2014).

The effect to environmental issues is problematic, as well. Often sharing economy has been thought to have the potential to shift consumption to a more sustainable path (Cohen & Kietzmann, 2014; Heinrichs, 2013) but those benefits are often exaggerated. For instance, despite the general perception that sharing leads to lower carbon emissions, almost no relevant studies for its effects exist (Cohen & Kietzmann, 2014; Schor, 2014). Indeed, the rise of SE can lead to travelling being cheaper, which can result in increased consumption and higher emissions (Schor, 2014). The economic benefits of SE can thus boost consumption so that SE can barely act as a pathway to sustainability (Martin, 2016). Given this, even though sharing economy offers numerous environmental benefits, it cannot be the only way when trying to reach sustainability (Heinrichs, 2013).

The new platforms of sharing economy can conflict with existing behavioural and legislation models: for example, in car sharing business, many platforms have struggled due to their inability to interact with local governments (Cohen & Kietzmann, 2014). In addition, sharing companies, such as Airbnb, encourage their users to organise and promote favourable regulation (Schor, 2014). SE fundamentally changes the way we act (Schor, 2014; I. P. Tussyadiah, 2015), which is why the practises of SE will likely influence various political, regulatory, and social contexts (Schor, 2014).

There has been many claims stating that sharing economy promotes and leads to unfair competition (Ranchordás, 2015). Even if many sharing economy platforms are considered as benefactors, some firms' actions can be ruthless: for instance, Uber has been accused of acts of anti-competitive behaviour, such as recruiting its competitors' drivers (Schor, 2014). Given this, since opposing bad behaviour will always be necessary, some legislation is needed, especially concerning essential private insurance, contracts, torts and product liability law, and other legal remedies to be there to support fairness when things go wrong (Koopman et al., 2015).

Nevertheless, according to Koopman et al. (2014), 'regulation does not always live up to the normative goals of those who seek it in the "public interest"'. To fully assure sharing will grow and use its whole potential, we need to be able to regulatory failures that benefit some parts of the market over others (Malhotra & Van Alstyne, 2014). In addition, in its public consultation European Commission advised regulators not to interfere too much in the potential growing of sharing economy (Gawer, 2016). Given this, regulation is not always needed since SE companies can use their own actions in a regulatory way: Uber and Lyft, for instance, allow the users of the platforms to see the GPS route of their rides so they can make sure the driver drove the fastest route. The companies also collect every customer' information along with credit card details, which in turn enhances the safety of the driver. No cash is needed for the interaction, which reduces the risk of theft. (Koopman et al., 2015).

In addition, SE platforms can outshine regulators at spotting stalkers and unfair activity, since they have the ability to respond rapidly to conflicts among members: 'platforms are closer to the action and they have an incentive to look after their communities' (Malhotra & Van Alstyne, 2014). This is why bad actors in SE get very often weeded out quickly (Koopman et al., 2015; Malhotra & Van Alstyne, 2014). Given this, users have been found to support regulation done by platforms themselves (Hartl, Hofmann, & Kirchler, 2016).

To achieve success, sharing economy platforms need to build trust and legitimacy (Perren & Kozinets, 2018). By doing this, companies can turn their challenges into opportunities (Koopman et al., 2015). Therefore, the increase and popularity of sharing economy call for limited, but well-focused regulation (Ranchordás, 2015). Above all, it is crucial to give SE platforms and their new technologies the chance to grow and challenge the status quo in markets (Koopman et al., 2015).

4. SHARING ECONOMY AS DISRUPTIVE INNOVATION: WHY IS IT PROMOTED?

Sharing economy provides its users with various benefits, which is why participating in it is logical for many (Möhlmann, 2015). Nevertheless, in spite of its increasing significance, the research concerning the motivational factors in sharing economy has been limited (Hamari et al., 2016; I. P. Tussyadiah, 2015). Therefore, we still lack an understanding of the complexity and nature of the consumption in SE (Bardhi & Eckhardt, 2012). In this chapter, the theories of disruptive innovation and sharing economy will be combined. We will immerse us to the main research question: why is sharing economy so popular?

4.1. The disruptive nature of sharing economy

4.1.1. Changing concept of ownership in consumption

Sharing is a fundamental way of acting which has the ability to bring people together and lead them to connect on a deep level while sharing value (Belk, 2010). This is strongly carved in our attitudes: according to one study, 69 % of Americans say that it is always or at least sometimes acceptable to share music online (Belk, 2014). Sharing economy brings this ideal of sharing to business. This has gained an enormous amount of success, and it is growing continuously more while fundamentally altering the way we own and consume (Lawson, Gleim, Perren, & Hwang, 2016; Matzler, Veider, & Kathan, 2015).

Due to the increased popularity of sharing, consumers are more willing than before to share and lease products instead of owning them (Bardhi & Eckhardt, 2012; Belk, 2014; Botsman & Rogers, 2010; Matzler et al., 2015). Especially the efficient way of resource use in sharing is one reason for why it is gaining success (Piscicelli et al., 2015), particularly within young adults, who do not value the traditional way of owning that much anymore (Leismann et al., 2013). It is important to note, however, that the respect towards sharing is just now shifting: before, ownership has been generally considered as the right and ideal way to consume since it offers the owner the full advantages of the product (Bardhi & Eckhardt, 2012).

Compared with sharing, ownership sets the owner a different set of rules: it changes the consumer-product relationship while giving the owner full property rights, freedom and responsibilities, which strengthens the boundaries between self and the others (Bardhi & Eckhardt, 2012). On the other hand, Bardhi & Eckhardt (2012) suggest that in sharing, users do not gain values that are often associated with ownership, such as pride or sense of security. When sharing products, the post-transaction value is usually crucial for the owner (Zervas et al., 2017). In addition, it is crucial to acknowledge that in sharing the nature of ownership and consumer-object relationships are not well understood (Bardhi & Eckhardt, 2012). Regardless, it is clear that a new ownership-substituting consumption culture has emerged (Botsman & Rogers, 2010; Leismann et al., 2013).

Sharing economy has the ability to disrupt and change the 'business-as-usual' (Richardson, 2015). Therefore, despite the fact that sharing was before seen inferior to owning, the popularity of sharing is now increasing (Bardhi & Eckhardt, 2012; Belk, 2014). Access-based consumption that emerges in sharing can give users freedom from emotional, social, and property obligations that are included in ownership (Bardhi & Eckhardt, 2012; Botsman & Rogers, 2010). Changing attitudes towards a loss in the symbolic strength of ownership is very essential when aiming at bringing more value to sharing consumption (Leismann et al., 2013). This will challenge various existing, traditional assumptions and social patterns (Zervas et al., 2017). Given this, it is well-grounded to state that sharing fundamentally changes the rules of consumption.

4.1.2. Sharing economy as disruptive innovation

The concept of sharing economy fits to the definition of disruptive innovation: according to the theory by Christensen (1995), disruptive technologies have very different attributes than what existing customers value. For instance, unlike traditional hotels, Airbnb can bring its users freedom and independency, more ‘personal’ experiences and reputational benefits. Airbnb would thus be favoured by different people than those who prefer hotels.

In addition, disruptive innovations perform worse on some dimensions that are important to existing customers (Bower & Christensen, 1995). The theory suggests that these customers are often unwilling to try new disruptive innovations in processes they know beforehand (Bower & Christensen, 1995). Considering the example of Airbnb, these lacking dimensions could be services such as restaurants and room service of hotels, as well as the lack of feeling of ‘organisation’ and sometimes security.

Disruptive innovations often lead to new markets and new ways of doing things (Bower & Christensen, 1995). This is exactly what has happened with sharing economy (Botsman & Rogers, 2010; I. P. Tussyadiah, 2015). In the case of Airbnb, these new ways bring customers both low cost alternatives to accommodation and new modes of travelling (I. P. Tussyadiah, 2015). Consumers thus have more choices in the market.

Sharing economy is growing rapidly, and its platforms are flourishing: (Bardhi & Eckhardt, 2012; Lamberton & Rose, 2012; I. P. Tussyadiah, 2015): already in 2010 the sharing economy market was estimated to be at more than $100 billion annually (Lamberton & Rose, 2012). The speed of growth sharing businesses have had suggests that it might represent a serious threat for existing companies and methods since sharing economies will probably result in decreased consumption in the traditional industries (Matzler et al., 2015). For example, the entry of Airbnb in the market in Texas led to a negative impact on local hotel revenues especially in low priced hotels (Zervas et al., 2017). It is thus possible that the popularity of sharing economy either creates a new market or replaces the traditional travel industry (I. P. Tussyadiah, 2015).

All in all, keeping up with disruptive innovations is crucial. According to Hamel & Prahalad (1994), ‘if managers don’t have detailed answers to questions about the future, their companies can’t expect to be market leaders’. Market-oriented companies are able to identify customers’ needs and give technological solutions for them (Zhou et al., 2005). This applies to sharing economy as well. When addressing these, a change-favourable attitude is the key to success (Zhou et al., 2005).

Picture 3: Airbnb is a good example of a sharing economy platform that has created disruption in the market. Like disruptive innovations, it provides its users with different attributes than traditional hotels do, but it is still superior to them in many dimensions. Airbnb has grown massively while displacing hotels and giving consumers environmental-friendly, social and economic alternatives to travelling. Because of its disruptive nature it has raised opposition as well, which led to the banning of Airbnb in Berlin.

4.2. Motivations for participating in sharing economy

In this section the motivations and reasons behind customers' willingness to take part in sharing economy will be discussed. As said earlier, despite the vast amount of attention SE has gained recently, the research concerning motivations towards it has been limited (Hamari et al., 2016; Möhlmann, 2015; I. P. Tussyadiah, 2015). However, these motivations seem to be linked to the benefits of SE, such as environmental and economic goals (Matzler et al., 2015). Through this, taking the advantage of internet can lead to rapid innovation and beneficial change (Westley et al., 2011). Knowledge about the motivations is needed when broadening SE for new consumers (Akbar, Mai, & Hoffmann, 2016).

Social motivations

Social connections are one reason for consumers to participate in sharing economy platforms (Hamari et al., 2016; Schor, 2014; I. P. Tussyadiah & Pesonen, 2018). Community belonging is a strong factor in this (Möhlmann, 2015). The technological values of SE bring people together to share and create value, which leads to collaborative benefits and communication (Perren & Kozinets, 2018). These kinds of situations are social but also opportunistic (Perren & Kozinets, 2018) and provide users with chances in creating and enhancing reputation (Hamari et al., 2016; I. P. Tussyadiah, 2015). However, in the studies by Hamari et al. (2016) reputation did not affect positively on attitudes towards sharing economy, leaving its importance slightly lesser than anticipated. In addition, the social motivations have often had a high variance, leaving it as the highest differentiating factor between consumers (Guttentag, Smith, Potwarka, & Havitz, 2018).

Trust as a motivation

Trust is a crucial quality in sharing economy (Möhlmann, 2015; Piscicelli et al., 2015; I. P. Tussyadiah, 2015). In some studies, trust is linked to sociability and it is thus an important part of sharing economy practises (Perren & Kozinets, 2018). The amount of trust experienced can vary vastly among participants, however, studies have shown that consumers place higher trust values to those others that are somehow similar to themselves (Lamberton & Rose, 2012). For instance, this study could therefore suggest that in Couchsurfing, people prefer hosting and staying at hosts who share similar lifestyle and values.

Trust can be increased by platform systems such as training, verification, rating, watchdogs, insurance and different legal mechanisms such as guarantees (Perren & Kozinets, 2018). For sharing economy platforms it is crucial to build trust among users to achieve success (Guttentag, 2015; Perren & Kozinets, 2018; Piscicelli et al., 2015; I. P. Tussyadiah, 2015). Trust can sometimes be achieved through minor improvements in the platforms: for instance, a good profile picture in

Airbnb boosts the sense of trust that the customers experience when choosing a host (Ert, Fleischer, & Magen, 2016).

Environmental motivations

Consumers are increasingly aware of the environmental impacts of (over)consumption while sharing economy offers ways to reduce these harms (I. P. Tussyadiah, 2015). This can offer consumers various benefits, such as 'moral utility' and 'anti-industry utility', which promote fewer resource use (Lamberton & Rose, 2012). Sharing economy is thus a way for consumers to support this reduction of resources used (I. P. Tussyadiah, 2015). The environmental-friendliness can also be considered as a part of 'Sharing Economy Ethos' (Guttentag et al., 2018). In addition, the idea of sharing economy as an environmental tool seldom raises opposition since it is also economically wise to use resources efficiently (Leismann et al., 2013).

Nevertheless, the actual impact of environmental benefits when participating in sharing economy is still unclear since the power of environmental motivations has varied enormously between people in empirical studies (Piscicelli et al., 2015). In studies by Möhlmann (2015), environmental factors had no impact on whether people participated in SE or not. According to studies by Hamari et. al (2016), the significance of environmental issues is in general smaller than widely anticipated and it is not associated with participation unless consumers already have positive attitudes towards sharing economy. Considering the environmental benefits, an attitude-behaviour gap might often occur: people think and talk positively about the platform, but it does not lead to action (Hamari et al., 2016). Therefore, environmental issues do not necessarily play an important role in affecting consumer behaviour (Barnes & Mattsson, 2016).

Economic motivations

Many consumer actions can be explained in an economic sense: rational models suggest that consumers search for products with highest benefit and lowest cost (Hamari et al., 2016; Lamberton & Rose, 2012). When the costs of SE are minimised and its benefits maximised, the propensity to participate will rise (Lamberton & Rose, 2012). Sharing economy makes economically sense, which is why many have said that SE was boosted especially because of the latest global economic crisis (Bardhi & Eckhardt, 2012; Hamari et al., 2016). This has led to consumers checking their spending habits and rethinking their values (Bardhi & Eckhardt, 2012).

In empirical studies by Möhlmann (2015), the respondents were predominantly driven to take part in sharing economy by rational reasons, serving their own, personal benefit. Therefore, economic factors are significant in determining the participation in SE (Barnes & Mattsson, 2016; Guttentag et al., 2018; Hamari et al., 2016; Lamberton & Rose, 2012; Möhlmann, 2015; I. P. Tussyadiah & Pesonen, 2018). Some studies have showed that even though consumers acknowledge the other benefits, such as benefits concerning environment, the cost saving factors are still the dominant factors for participation (Guttentag et al., 2018; I. P. Tussyadiah, 2015). In addition, cost savings are heavily correlated with how likely participants are willing to take part in SE again (I. P. Tussyadiah & Pesonen, 2018). However, in the study by Hamari et al. (2016) economic factors had no impact on attitudes towards SE, which highlights the difference between thoughts and actions: even if people respect environmental factors, the economic factors usually dominate the behaviour.

Enjoyment as a motivation

In addition to the motivations already listed, the pure enjoyment of the activities of sharing economy attracts participants (Hamari et al., 2016). In addition, some consumers are motivated by the trendiness of the platforms (Schor, 2014). The study by Hamari et al. (2016) found that enjoyment is a strong determinant for the attitude towards SE, which was seen in continuous use intentions as well. Therefore, it is safe to say that enjoyment of the sharing activity plays a role in how many people participate in sharing economy, which is why attempting to make participating more pleasurable is crucial to improve consumers' participation motives (Hamari et al., 2016).

4.3. Hinders for participating in sharing economy

Factors that often deter the participation in sharing economy include for example lack of trust, lack of efficacy (consumers do not know or understand how the platform works) concerning the technology and lack of economic value (I. P. Tussyadiah, 2015; I. P. Tussyadiah & Pesonen, 2018). In addition, there is a perceived product scarcity risk: the likelihood that someone else is using the resource right when a customer wants it, which can reduce the willingness to participate (Lamberton & Rose, 2012). Therefore, according to Lamberton & Rose (2012), the sharing partners' product usage and predictability affect the motivations to participate. A strong orientation towards materialism can lower the motivations as well (Akbar et al., 2016).

There are also differences between people in how easily they participate in SE. For instance, high-income consumers are more likely to take part in sharing economy (I. P. Tussyadiah, 2015). In addition, the users travel more frequently (I. P. Tussyadiah, 2015; I. P. Tussyadiah & Pesonen, 2018) and are generally more open to trying new things (Piscicelli et al., 2015; I. P. Tussyadiah, 2015).

Picture 4: Couchsurfing offers its users many benefits that are commonly typical for SE platforms: it is highly community-focused and environmental-friendly since staying with someone else uses resources more

efficiently. Even though from the visitor's point of view, these might collaborate to positive attitudes, the economic values are probably most dominant drives for participating within couchsurfers. Staying with hosts is free, meaning cost reductions when travelling. However, also the pure enjoyment of couchsurfing (getting to know locals and socialising) or the trendiness within other travellers might lead to participation.

4.4. Models for motivations to participate in SE

4.4.1. Four key motivations for SE participation

As already stated, the benefits of sharing economy affect the motivation to act and participate in sharing economy. However, the power of how well these affect consumers' actual behaviour varies vastly, which was discussed in previous sections. Even if empirical research considering motivations for SE is still very limited (Hamari et al., 2016; I. P. Tussyadiah, 2015), some generalisations can be made based on the already existing literature and research results.

In total, the benefits suggested in literature have included economic, environmental, social, reputational, trust and enjoyment factors. Some of these have been more common than others, which is why they can be considered being more significant. In addition, some claims have more empirical studies behind them, making them more credible. For instance, Hamari et al. (2016) had empirical research done for the results. The motivations suggested by ten pieces of literature on SE are concluded in Table 2.

SHARING ECONOMY MOTIVATIONS IN LITERATURE

Author(s)	Year	Environmental values	Social values	Enjoyment values	Economic values
Bardhi & Eckhardt	2012				x
Belk	2014	x	x		x
Cohen & Kietzmann	2014	x			x
Hamari et al.	2016	x	x	x	x
Heinrichs	2013	x	x		x
Lamberton & Rose	2012	x	x	x	x
Perren & Kozinets	2018		x		x
Piscicelli et al.	2015	x	x		x
Schor	2014	x	x	x	x
Tussyadiah	2015	x	x		x

Anecdotal evidence

Empirical evidence

Table 2: SE motivations suggested in literature. Some suggestions have more research behind them than others and can thus be considered as more important.

Considering the existing literature, a conclusion can be made. Therefore, I made a framework that lists the most relevant factors affecting the customer motivations to participate in sharing economy. It is also important to note that some factors might include others: the social aspect consists of social, reputational and trust values.

Given this, four key motivations can be distinguished:

1. Social values
2. Environmental values
3. Economical values
4. Enjoyment values

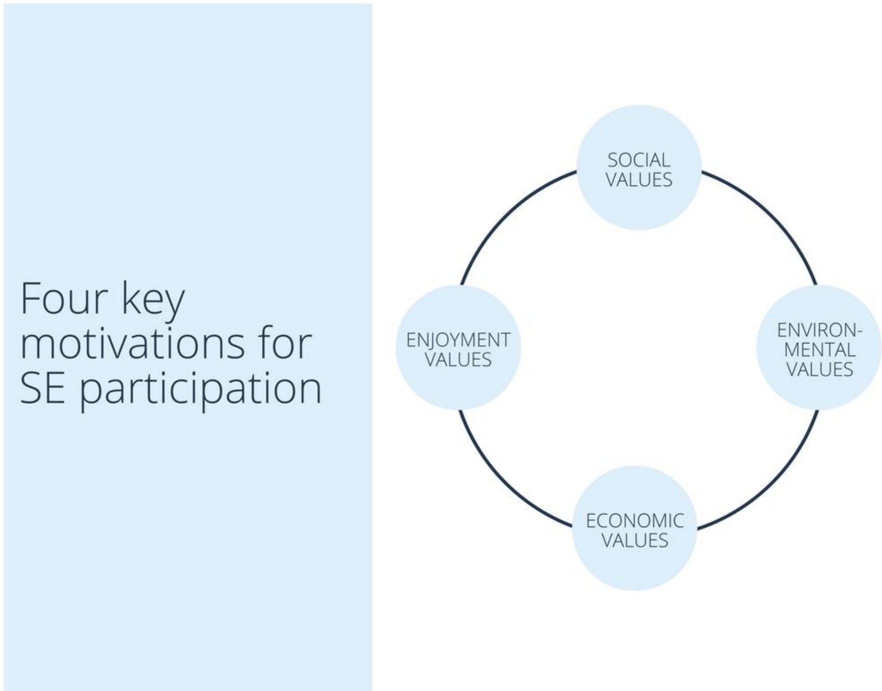

Figure 3: The four key motivations for SE participation.

Nevertheless, the model of the four key motivations solely lists the reasons for participation, ignoring the motivations' different significances. Therefore, more sophisticated ways to describe motivations and their relations are needed. We will discuss these next.

4.4.2. SE motivation line

The actual effects of the motivations vary vastly, which is why it would be naïve to consider them as equals. For instance, environmental benefits are often described to be a motivation but their actual effects seem to be quite minor (Hamari et al., 2016; Möhlmann, 2015) whereas economic factors have often been proven to be strong (Bardhi & Eckhardt, 2012; Hamari et al., 2016; Möhlmann, 2015). On the other hand, some factors have been found to have deep effects on attitudes even if they do not have a major role in affecting behaviour (Hamari et al., 2016).

According to existing literature, it is possible to roughly rank the four key motivations on a sharing economy motivation line that shows the main differences of significance between the motivations. In empirical research, economic values have often been significant, while environmental values affect mainly attitudes, not behaviour. Enjoyment and social values rank in the middle, the latter being less significant when affecting behaviour.

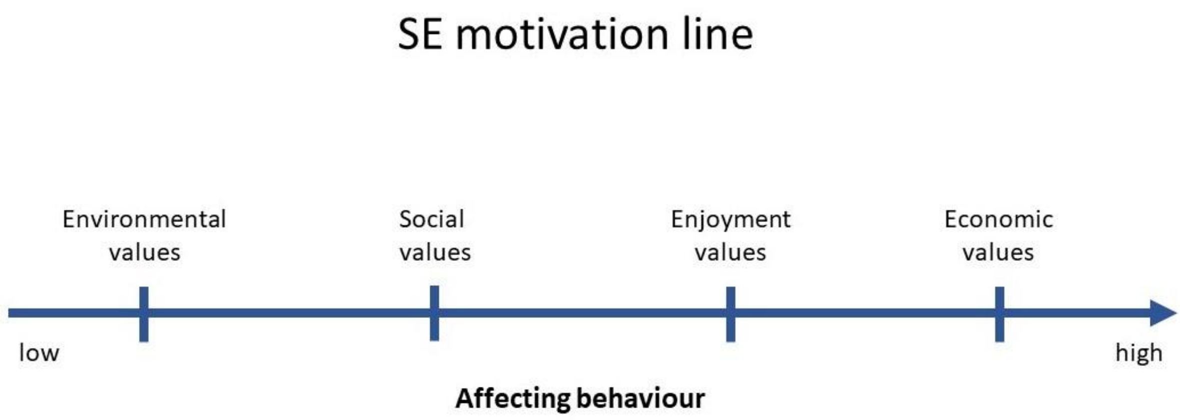

Figure 4: The sharing economy motivation line

The line represents the information and research findings according to the present. Nevertheless, it is important to note that the knowledge about different motivations is still quite limited. Given this, more research is needed to deeply understand the motivations and their relations in detail.

In addition, one should take into consideration that different sharing economy platforms vary vastly in their values and functions. This suggests that also the motivations for participation can be highly different. For instance, the fact that some platforms are clearly more social (eg. Couchsurfing) than others (Craigslist) can be a crucial factor making the SE motivation line different.

One example of a different motivation line could be found with someone who decides to participate in Couchsurfing as a consumer. The platform is highly social: in addition to staying at a host it is possible to invite other travellers to hangouts or events. Even though Couchsurfing provides its users with economic value, social aspect is likely an important contributor for participation. Therefore, the SE motivation line of a Couchsurfing consumer might look something according to the following:

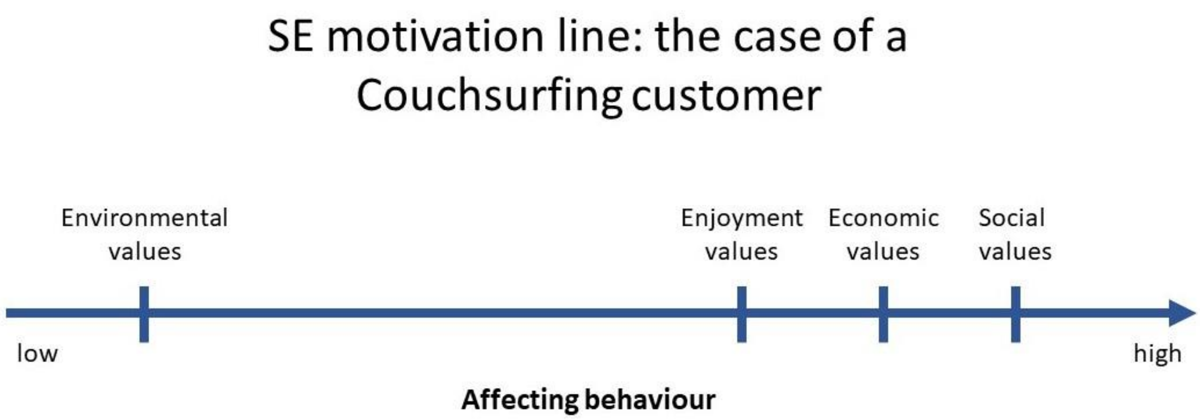

Figure 5: The SE motivation line from the perspective of a Couchsurfing customer

What is more, in the case of Couchsurfing one should not ignore its users that use the platform as hosts. From this aspect, the motivations can differ even more from the general SE motivation line: no monetary change is allowed, which is why economic value plays no role in participation motivation. Therefore, other factors would likely be emphasised. The SE motivation line from a host perspective could thus be similar to this:

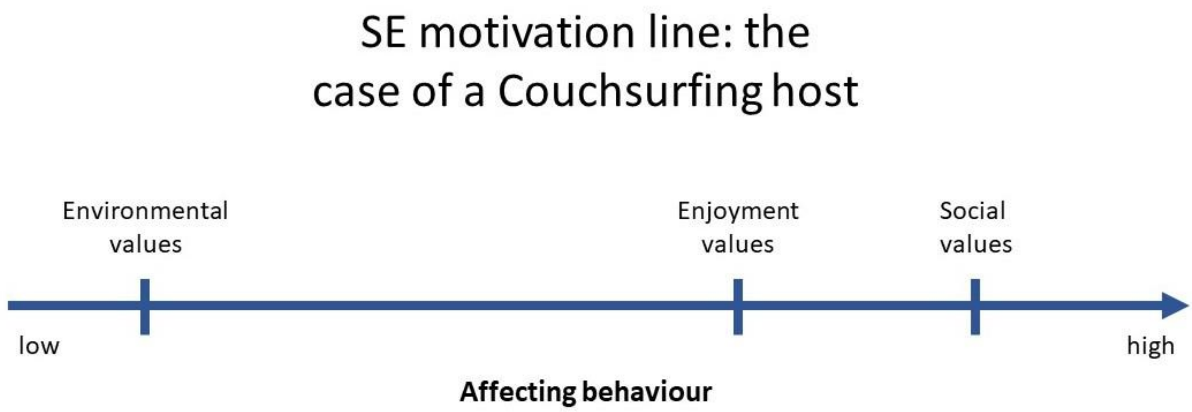

Figure 6: The SE motivation line from the perspective of a Couchsurfing host

Considering these variations of SE motivation lines, it would be natural to suggest that many of the motivations for participation vary: they depend on both personal and platform-related factors. Particularly the social aspect in sharing economy has often had a high variance in empirical studies (Guttentag et al., 2018), which suggests that a personal base for motivations might exist. Therefore, the motivations leading to sharing economy participation can be highly different. This makes it an imperative to gain more research focusing on this field before we can understand consumers' deep motivations thoroughly.

5. CONCLUSION AND DISCUSSION

5.1. Conclusion

This literature review studied sharing economy (SE) as a disruptive innovation, focusing on the motivations for why consumers are willing to participate in SE. The importance of sharing economy has been constantly increasing in the market: sharing platforms, such as Uber and Airbnb, have faced rapid growth (Koopman et al., 2015; Perren & Kozinets, 2018; Schor, 2014). Therefore, I had an interest in trying to gain an understanding on the effects and reasons on why and how sharing economy changes the rules of consumption. By addressing the research question, it is possible to get an overview on the main factors that are crucial considering the popularity of SE.

There are numerous reasons why sharing economy could be classified as a disruptive innovation. According to the disruptive innovation theory by Christensen (1995), disruptive innovation is an innovation that provides the market with something totally new, having different product or service attributes than the existing models. Disruptive innovations are inferior to existing models in some aspects but superior in others, which is why they are not often valued by existing customers. However, disruptive innovations attract new users, which leads to new markets and behaviour patterns. This has been the case with sharing economy since it has offered the market an option to traditional ownership. Sharing economy thus affects the way we buy, travel and live, changing the underlying assumptions consumers have towards buying and owning.

The existing literature suggests diverse motivations for participation in sharing economy. These are concluded below:

1. Social values
2. Environmental values
3. Economic values
4. Enjoyment values

These are all factors that might have a role when consumer determines the willingness to participate in SE. However, many of these benefits can be exaggerated or their power can be scarcely studied.

There has been a lack of studies focusing on why exactly consumers decide to participate in sharing economy (Hamari et al., 2016; I. P. Tussyadiah, 2015). The main motivations and benefits are generally known but the notion of their power remains still blurred. For instance, the results considering the social aspect of sharing economy have been mixed (Schor, 2014).

However, some results have been made. It is important to ensure that there is enough trust in the SE platform for trust is crucial for collaboration and the lack of it can be a main hinder for participation. In addition, the importance of environmental values has proven to be less important than anticipated before. Sometimes environmental benefits had no impact on participation. Hamari et al. (2016) found that environmental benefits had an influence on attitudes towards SE, but it did not affect the likelihood of participation. This suggests that a gap between attitude and behaviour might exist.

Many studies have resulted in the same conclusion: the vast importance of economic benefits in motivation. According to Hamari et al. (2016), economic values have no effect on attitudes, but they are a main factor for consumers willing to take part in SE. Even tough consumers would value the other benefits of SE, such as the environmental factors, it is usually the economic part that determines the participation. Therefore, it might be possible that the economic benefits can be a main driver in the growth of sharing economy. Given this, managers should be able to develop their sharing economy platforms so that they are economically sensible.

In addition, the pure enjoyment of the action of sharing is crucial for participation. The platforms need to be fun, easy to use and understand and able to offer enjoyment for consumers. The enjoyment from the platform plays an important role in continuous use of sharing (Hamari et al., 2016), which is why it is a very important aspect, along with economic value, for managers to consider.

For understanding the customer motivations for participation in SE, I constructed two frameworks. The first lists the four key motivations that often affect consumers: social values, environmental values, economic values and enjoyment values. The second framework ranks these on a sharing economy motivation line, which shows the motivations' ability to affect consumers' behaviour. Economic values are the most significant when affecting behaviour and environmental values the least significant. Enjoyment and social values rank in the middle, enjoyment values affecting more to participation. Therefore, the suggestion by Hamari et al. (2016) might be true: behaviour and attitudes are two very separate factors for consumers.

However, it is crucial to note that some of the motivation factors, such as social factors, have proven to have high variance in power (Guttentag et al., 2018). This suggests that a general motivation line would ignore all these personal preferences. Therefore, it is likely that the motivation line would be highly dependent on personal and platform attributes. To fully understand this, more research is needed focusing on this field.

Keeping the motivations in mind, some implications for management can be concluded. Above all, due to the importance of economic values in consumer decisions, platforms need to provide its users with actual economic benefits. It is also important for the platform to be convenient and pleasant to use. Social and economic values might prove to being beneficial for participation as well, but this domain remains unclear. In addition, trust is essential for the existence of sharing, which is why trust should be main goals when developing sharing platforms. Therefore, the four key motivations can and should be used as a pathway to success in sharing economies.

5.2. Limitations and future research

Considering this literature review, there were some limitations. Firstly, there has been a vast amount of research considering sharing economy but few of them focus on how the different benefits actually affect the participation (Hamari et al., 2016; I. P. Tussyadiah, 2015). Therefore, we know a lot about the benefits of sharing economy, but the importance of those numerous benefits remains blurred. Secondly, most sharing economy studies have discussed SE on a general level, which then could be applied anywhere. However, it is important to note that the platforms can be highly different, and some models are not applicable to all of them. This has an influence on the sharing economy motivation line constructed in this literature review as well. Therefore, this diversity should be acknowledged in future research, which is why future studies need more specialisation concerning different industries and platforms.

In addition, one should be aware of the newness of sharing economy. The rise of sharing economy is happening right now, which can lead to inflated hype and expectations. Due to the novelty of SE, it might be challenging to distinguish how sharing economy truly affects the markets and the ways we consume since we might still lack the proof for it. Furthermore, some of the theory might be difficult to generalise for all platforms because many of them have shown so rapid growth.

Lastly, the unclear notions of disruptive innovation and sharing economy might deteriorate the quality of research. There is no general agreement on what the terms of disruptive innovation and sharing economy mean, which is why some notions differ and research results can suffer from this, making them less comparable with each other. This is a main problem in this field that should be tackled.

To conclude, future research can deepen the studies of disruptive innovation and sharing economy enormously. It should focus more profoundly on the motivations that affect the decisions to participate in sharing economy. In addition, it should address the problem of the unclarity of the notions of disruptive innovation and sharing economy. What is more, the diversity of sharing economy platforms need to be acknowledged in research. The novelty of SE can be addressed with time: as the growth of sharing economy continues, we learn more about sharing and its effects on the way we own and consume.

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Pictures:

Picture 1: IKEA

http://www.ikea.com/gb/en/images/rooms/ikea-dressing-your-store-has-never-been-so-much-fun__1364358694777-s5.jpg

Picture 2: Skillshare.com

https://internetscamsreport.com/wp-content/uploads/2017/07/SKILL-SHARE-EXPERTS.jpg

Picture 3: Airbnb

https://www.paypal-gifts.com/media/catalog/product/cache/1/small_image/9df78eab33525d08d6e5fb8d27136e95/a/b/abnb_1.png

Picture 4: Couchsurfing

https://ht-assets.couchsurfing.com/assets/og_image-8ccf1ee35e2d92ffd20af5021bc34924e37b0e31394d0998704b17249a545e43.jpg